

Message Text

PAGE 01 STATE 066492

21/70

ORIGIN EB-07

INFO OCT-01 ISO-00 AF-06 ARA-06 EA-06 EUR-12 NEA-09 SIL-01

CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00 USIE-00 INRE-00

AGR-05 CEA-01 COME-00 FRB-03 H-02 INR-07 INT-05 L-02

LAB-04 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-01

TAR-01 TRSE-00 PRS-01 SP-02 OMB-01 FEA-01 OIC-02 IO-10

/123 R

66622

DRAFTED BY EB/OT/GCP:DTMORRISON:DJDUNFORD:DI

APPROVED BY EB/ITP-MR.GLITMAN

AF/EPS:RDUNCAN

COMM:BMILLER

L/EB:CPITMAN

LABOR:BWHITE

EB/OIA:TBRODERICK

STR:SLANDE

ARA/ECP:MDAVILA

TRSY:JJOHNSON

EA/EP:AGEBER

EUR/RPE:ECASEY

NEA/RA:H MONTGOMERY

AGRICULTURE:JHALQUIST

----- 085175

O 242219Z MAR 75

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS IMMEDIATE

AMCONSUL PORT MORESBY IMMEDIATE

LIMITED OFFICIAL USE STATE 066492

INFORM CONSULS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 066492

C O R R E C T E D C O P Y - PARA 12 OMISSION

E.O. 11652: N/A

TAGS: ETRD, EINV

SUBJECT:TRADE ACT OF 1974--DESIGNATION OF BENEFICIARY COUNTRIES AND ELIGIBLE ARTICLES FOR PURPOSES OF GENERALIZED SYSTEM OF PREFERENCES (GSP)

REFS: (A) STATE 23544 (B) STATE 1804, (C) STATE 5883
(D) STATE 42348, (E) STATE 41325, (F) STATE 55671,
(G) STATE 56679 (H) STATE 282967

1. BENEFICIARY COUNTRIES - THE PRESIDENT SIGNED ON MARCH 24 AN EXECUTIVE ORDER (TEXT BEING FORWARDED VIA SEPTTEL) DESIGNATING 89 COUNTRIES AND 43 TERRITORIES AS BENEFICIARY COUNTRIES FOR PURPOSES OF GSP AUTHORIZED BY TITLE V OF THE TRADE ACT OF 1974. AN ADDITIONAL 24 COUNTRIES ARE IDENTIFIED AS UNDER CONSIDERATION FOR DESIGNATION INCLUDING (A) 12 OPEC MEMBERS AND ASSOCIATE MEMBER GABON (B) PORTUGAL AND 5 MEDITERRANEAN COUNTRIES, (C) 3 COUNTRIES PRESENTLY INELIGIBLE BY REASON OF EXPROPRIATION ISSUES--SOUTH YEMEN, SOMALIA AND UGANDA (SEE PARA 6 BELOW), (D) ROMANIA AND (E) HONG KONG. FEW CHANGES HAVE OCCURRED SINCE PRESIDENT'S JANUARY 13 TRANSMITTAL OF PRELIMINARY LISTS OF ELIGIBLE AND POTENTIALLY ELIGIBLE COUNTRIES TO CONGRESS (REF A). REVIEW OF NATIONALIZATION DISPUTES IN THREE COUNTRIES NOTED ABOVE AND EVALUATION OF GABON'S PARTICIPATION IN OPEC AS EQUIVALENT TO THAT OF FULL MEMBERSHIP RESULTED IN SHIFT OF THESE FOUR COUNTRIES TO POTENTIAL BENEFICIARY STATUS. POSTS MAY INFORM HOST GOVERNMENTS IMMEDIATELY OF DESIGNATIONS OR CONTINUED CONSIDERATION.

2. DEPENDENT TERRITORIES - SEVERAL CHANGES HAVE BEEN MADE IN THE LIST OF DEPENDENT TERRITORIES AS A RESULT OF AN EXTENSIVE REVIEW CARRIED OUT OVER THE PAST SEVERAL WEEKS. SINCE THE U.S. DOES NOT RECOGNIZE TERRITORIAL CLAIMS ON THE ANTARCTIC, ANTARCTIC TERRITORIES HAVE BEEN DELETED. SIKKIM WAS DELETED BECAUSE IT IS LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 STATE 066492

ADMINISTRATIVELY IMPOSSIBLE TO DISTINGUISH BETWEEN IMPORTS FROM SIKKIM AND IMPORTS FROM INDIA. CHRISTMAS AND COCOS ISLANDS WERE NOT ADDED TO CURRENT LISTS BECAUSE IT WAS NOT FEASIBLE TO MEET CONGRESSIONAL CONSULTATION REQUIREMENT WITH RESPECT TO THEM AT THIS TIME. ADDITION OF THESE ISLANDS WILL BE CONSIDERED DURING SUBSEQUENT REVISIONS OF BENEFICIARY LISTS. SPANISH SAHARA REPLACES "SPANISH NORTH AFRICA" AT THE REQUEST OF THE SPANISH GOVERNMENT (MADRID A-34). WHERE APPROPRIATE, POSTS SHOULD PROMPTLY ADVISE DEPARTMENT OF ANY DEPENDENT TERRITORIES WHICH HOST GOVERNMENTS BELIEVE WERE UNJUSTIFIABLY LEFT OFF LIST.

3. OPEC/CARTEL PROVISION (SECTION 502(B)(2)) - POSTS SHOULD CONTINUE TO DRAW UPON PRESIDENT'S JANUARY 3 STATEMENT (REF B) AND REF C REGARDING ADMINISTRATION POSITION ON THIS ISSUE. THE PRESIDENT INDICATED THAT ADMINISTRATION WOULD WORK OUT NECESSARY ACCOMMODATIONS WITH CONGRESS AND CONSULTATIONS WITH CONGRESS ARE NOW UNDERWAY. WITH RESPECT TO OTHER CARTEL-LIKE ARRANGEMENTS, POSTS SHOULD DRAW UPON REF D.

4. PREFERENCES EXTENDED TO OTHER DEVELOPED COUNTRIES (SECTION 502(B)(3)) - IN MAKING DESIGNATIONS WE HAVE ACTED ON PRESUMPTION THAT 46 AFRICAN, CARIBBEAN AND PACIFIC (ACP) COUNTRIES WILL ELIMINATE OR AVOID REVERSE PREFERENCES UNDER NEW COMMERCIAL RELATIONS TO BE ESTABLISHED WITH THE EUROPEAN COMMUNITY FOLLOWING RATIFICATION OF RECENTLY SIGNED LOME AGREEMENT. IF THIS PROVES NOT THE CASE, WE WILL REVIEW SUCH PREFERENCES TO DETERMINE WHETHER THEY RESULT IN ACTUAL OR LIKELY SIGNIFICANT ADVERSE EFFECTS ON U.S. COMMERCE. IF SO, STEPS TO ELIMINATE OR OFFSET SUCH EFFECTS WOULD BE REQUIRED TO AVOID SUBSEQUENT WITHDRAWAL OF BENEFICIARY DESIGNATION. WITH RESPECT TO THOSE MEDITERRANEAN COUNTRIES WHICH GRANT PREFERENCES TO THE EC (LEBANON, EGYPT, TUNISIA, MALTA) AND THOSE DEVELOPING COUNTRIES

GRANTING RESIDUAL COMMONWEALTH PREFERENCES TO DEVELOPED COUNTRIES, CONCLUSION REACHED, ON BASIS OF AVAILABLE INFORMATION ON CURRENT AGREEMENTS AND CURRENT TRADE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 STATE 066492

FLows, THAT SIGNIFICANT ADVERSE EFFECT UNLIKELY. HOWEVER, CONTINUANCE OR EXPANSION OF EXISTING PREFERENCES CARRIES RISK THAT SUCH PREFERENCES COULD IN FUTURE JEOPARDIZE GSP ELIGIBILITY OF COUNTRIES CONCERNED. POSTS SHOULD, WHERE APPROPRIATE, TAKE ADVANTAGE OF DEVELOPMENTS ON GSP TO ENCOURAGE COUNTRIES GRANTING OR LIKELY TO GRANT REVERSE PREFERENCES TO RECONSIDER WHETHER SUCH PREFERENCES ARE IN THEIR LONG TERM INTEREST. SEE SEPTELS REF E RE LEBANON AND REF F RE APPROACHES TO OTHER COUNTRIES OR COUNTRY GROUPINGS.

5. ISRAEL, TURKEY, CYPRUS, GREECE, SPAIN AND PORTUGAL - SINCE AN EXECUTIVE ORDER DESIGNATING BENEFICIARIES IS NECESSARY TO BEGIN OTHER PRE-IMPLEMENTATION PROCEDURES, DIFFICULT DECISIONS ON THESE SIX COUNTRIES HAVE BEEN POSTPONED UNTIL AFTER EXECUTIVE ORDER ISSUED. WE ARE ALSO REVIEWING QUESTION OF WHETHER PREFERENCES THESE COUNTRIES GRANT TO EC HAVE ACTUAL OR LIKELY SIGNIFICANT ADVERSE EFFECTS ON U.S. COMMERCE. ASSUMING THAT THE COUNTRY IS PRESUMED DEVELOPING FOR GSP PURPOSES AND

THAT THE ADVERSE EFFECTS ARE SIGNIFICANT, WE WILL BE APPROACHING THESE COUNTRIES TO WORK OUT HOW THE REQUIREMENTS OF SECTION 502(B)(3) MIGHT BE MET.

6. NATIONALIZATION PROVISION (SECTION 502(B)(4) - SINCE EARLIER TENTATIVE PLAN TO INVOKE INTERIM NATIONAL ECONOMIC INTEREST WAIVER REPORTED PARA 4 REF A, IT HAS PROVED POSSIBLE IN MOST CASES TO MAKE JUDGMENTS REQUIRED BY 502(B)(4) PRIOR TO ISSUANCE OF EXECUTIVE ORDER. INTERIM WAIVER THEREFORE HAS NOT BEEN INVOKED. ANALYSIS OF OUTSTANDING DISPUTES IN OPEC MEMBER COUNTRIES AND OTHER COUNTRIES NOT NOW DESIGNATED AS ELIGIBLE HAS NOT YET BEEN COMPLETED. BASED UPON AVAILABLE INFORMATION IT WAS DECIDED THAT 21 COUNTRIES HAVE TAKEN ACTIONS WHICH COULD BE CONSIDERED EXPROPRIATORY WITHIN THE MEANING OF THE ACT. OF THESE, ALL BUT THREE (SOMALIA, UGANDA AND THE PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN) WERE FOUND, AT THE TIME OF CONSIDERATION, TO HAVE MET THE EXCEPTIONS TO SECTION 502(B)(4). THE TEXT OF THE REQUIRED DETERMINATION MADE BY THE PRESIDENT REGARDING OTHER 18 LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 05 STATE 066492

COUNTRIES, WHICH ALSO WILL BE REQUIRED TO BE PUBLISHED IN THE FEDERAL REGISTER, IS BEING TRANSMITTED SEPTTEL. DEVELOPMENTS IN SOMALIA, UGANDA AND THE PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN WILL BE FOLLOWED CLOSELY WITH A VIEW TO RECONSIDERATION OF GSP ELIGIBILITY. POSTS IN ALL COUNTRIES SHOULD CONTINUE TO REPORT DEVELOPMENTS BEARING UPON COUNTRY ELIGIBILITY FOR GSP UNDER SECTION 502(B)(4) TO ALLOW OUR JUDGMENTS TO BE MODIFIED AS APPROPRIATE. FYI. TO AVOID PROBLEMS WHICH MAY ARISE IF OFFICIALS IN 18 COUNTRIES FOR WHICH POSITIVE DETERMINATION MADE BECOME AWARE OF THIS INFORMATION FROM UNOFFICIAL SOURCES, SUGGEST POSTS IN THESE COUNTRIES INFORM HOST GOVERNMENT IMMEDIATELY OF ITS INCLUSION IN LIST OF DETERMINATIONS. IN VIEW OF ANTICIPATED INTEREST IN JUDGMENTS MADE CONCERNING EFFECT OF SECTION 502(B)(4), SEPTTELS WILL FOLLOW TO THESE AND OTHER APPROPRIATE POSTS TO PROVIDE GUIDANCE IN RESPONDING TO INQUIRIES REGARDING STATUS OF PARTICULAR DISPUTES. END FYI.

7. HONG KONG-PER REFTTEL G, CONGEN MAY PROCEED WITH ORAL REPRESENTATION TO HKG.

8. NARCOTICS TRAFFIC - INTERAGENCY REVIEW LED TO NO FINDING OF INELIGIBILITY UNDER THIS PROVISION. HOWEVER, QUESTION OF ILLICIT NARCOTICS TRAFFIC WILL BE KEPT UNDER CONTINUING REVIEW.

9. ARBITRAL AWARDS (SECTION 502(B)(6) - REVIEW OF KNOWN

CASES REVEALED NO FAILURE TO ACT IN GOOD FAITH TO
RECOGNIZE OR ENFORCE ARBITRAL AWARDS WITHIN THE MEANING
OF THIS SECTION.

10. DISCRETIONARY FACTORS (SECTION 502(C)) - WHEN
MAKING THE DESIGNATIONS, DUE ACCOUNT WAS TAKEN OF THE
DISCRETIONARY FACTORS--EXPRESSION OF DESIRE TO BE
DESIGNATED, LEVEL OF ECONOMIC DEVELOPMENT, TREATMENT
UNDER EXISTING GSPS, AND ASSURANCES OF ACCESS TO MARKETS
AND COMMODITY RESOURCES--ON THE BASIS OF INFORMATION ON
HAND. DESIRE TO BENEFIT FROM ALL GSP SCHEMES, AS
EXPRESSED IN SECOND PART OF FOURTH SPECIAL SESSION OF
SPECIAL COMMITTEE ON PREFERENCES (SEPTEMBER 21 TO
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 06 STATE 066492

OCTOBER 12, 1970) BY GROUP OF 77 AND SELECTED OTHER
COUNTRIES, WAS TAKEN INTO ACCOUNT AS WELL AS BILATERAL
OR MULTILATERAL SUBMISSION OF PRODUCT REQUEST LISTS.
ACCORDINGLY, NO FURTHER SOLICITATIONS OF SUCH
EXPRESSIONS NECESSARY BY ADDRESSEES.

11. ARTICLES UNDER CONSIDERATION FOR GSP ELIGIBILITY -
ISSUANCE OF EXECUTIVE ORDER PAVES WAY FOR PUBLICATION
IN THE FEDERAL REGISTER AND FORMAL TRANSMITTAL TO THE
INTERNATIONAL TRADE COMMISSION (ITC) OF LISTING OF
ARTICLES TO BE CONSIDERED FOR GSP ELIGIBILITY BY TSUS

(TARIFF SCHEDULES OF THE U.S.) NUMBER. COPIES OF PRODUCT
LIST, WITH PRODUCT DESCRIPTIONS AS WELL AS TSUS NUMBERS,
BEING PRINTED BY ITC AND TWO COPIES WILL BE POUCHED TO
ALL LDC EMBASSIES AND OTHER SELECTED POSTS AS SOON AS THEY
ARE AVAILABLE. IN DISCUSSING THIS LIST, POSTS SHOULD
MAKE IT CLEAR THAT THIS IS NOT FINAL LIST--FINAL LIST WILL
BE DRAWN UP ONLY AFTER ITC HEARINGS AND ADVICE
HAVE BEEN TAKEN INTO ACCOUNT. ITC WILL INVESTIGATE
EFFECT WHICH GSP TREATMENT ON INDIVIDUAL ITEMS MIGHT HAVE
ON U.S. PRODUCERS, LABOR AND ON CONSUMERS. FOREIGN
GOVERNMENTS MAY SUBMIT VIEWS TO ITC CONCERNING IMPACT ON
U.S. DOMESTIC ECONOMY OF GSP ELIGIBILITY OF CERTAIN
PRODUCTS OF INTEREST TO THEM.

12. RELEVANT DOCUMENTS - TEXTS OF EXECUTIVE ORDER,
PRESIDENT'S LETTER TO CONGRESS EXPLAINING REASONS FOR
DESIGNATIONS, AND PRESIDENTIAL DETERMINATIONS REQUIRED
UNDER SECTION 502(B)(4) BEING FORWARDED BY SEPTELS. ALL
OF THESE DOCUMENTS ALONG WITH THE PRODUCT LIST DESCRIBED
IN PARAGRAPH 11 WILL BE PUBLISHED IN FEDERAL REGISTER
MARCH 26 OR 27. THEREFORE ADDRESSEE POSTS MAY INFORM HOST
GOVERNMENTS OF CONTENTS NOW AND RELEASE THESE DOCUMENTS
AS DEEMED APPROPRIATE.

13. IMPLEMENTATION DATE - ISSUANCE OF EXECUTIVE ORDER
DESIGNATING BENEFICIARIES AND SUBMISSION OF LIST OF
PRODUCTS FOR ITC CONSIDERATION MARKS MAJOR STEP TOWARD
ACTUAL IMPLEMENTATION OF GSP WHICH WE EXPECT WILL OCCUR
THIS FALL. WE ARE ALSO HOPEFUL THAT BY THE TIME OF
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 07 STATE 066492

IMPLEMENTATION WE WILL BE ABLE TO EXPAND THE BENEFICIARY
LIST TO INCLUDE AS MANY OF THE POTENTIAL BENEFICIARIES
AS POSSIBLE. KISSINGER

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, GENERALIZED PREFERENCES (TARIFFS)
Control Number: n/a
Copy: SINGLE
Draft Date: 24 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE066492
Document Source: ADS
Document Unique ID: 00
Drafter: EB/OT/GCP:DTMORRISON:DJDUNFORD:DI
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750103-0645
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750399/baaaagvt.tel
Line Count: 286
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2003 by SmithRJ>; APPROVED <28 OCT 2003 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: ETRD, EINV, US, XX
To: ALL DIPLOMATIC AND CONSULAR POSTS
PORT MORESBY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006